

Changes to Fleet Services Billing for Assigned Cars

2015-17 Budget Cycle

The Department of Transportation will be moving to a new method of charging depreciation costs for those vehicles that are permanently assigned to an agency. This change will not affect the fleet vehicles that are checked out on an as needed basis from motor pool.

In the past, depreciation costs have been billed solely on the basis of usage. The more a vehicle was used, the more depreciation costs were assigned to that vehicle. This method works well when all vehicles in a group incur similar amounts of usage. In today's world, we find that vehicle usage can vary greatly within a particular group. For example, one agency may use a vehicle 20,000 miles in a year, while another agency only uses their vehicle 750 miles in the same year. Since depreciation costs occur whether or not a vehicle is used, the old method no longer results in an equitable distribution of depreciation costs. To rectify this situation, beginning on July 1, 2015, the usage based depreciation rate will be replaced with a flat monthly depreciation charge for each assigned vehicle. The flat monthly amount will vary by vehicle group, the number of vehicles in that group, and the number of total miles driven within the group. We certainly understand that this will impact the budgets of some agencies. Some agencies will see their depreciation costs decrease while others will see their costs increase.

DOT has reviewed the usage of each assigned fleet vehicle over the last 12 month period and has calculated approximately what each agency would have been charged for that same 12 month period if the new billing allocation had been in place. DOT will share that information with you. You should use this information as you consider your continued need for low use vehicles and discuss your needs with your budget analyst and the State Fleet staff.

We are committed to having an efficient and affordable system for assigned fleet vehicles. These next few months will be a time for each agency and institution to carefully consider how many vehicles they need assigned to them fulltime and the implication this billing change will have on your agency's 2015-17 budget request. Your assigned budget analyst in OMB will work with you on your budget needs for the 2015-17 biennium.